




MEMORANDUM

TO: Honorable Chairperson and Members
Board of County Commissioners

DATE: August 1, 2000

FROM: 
M. R. Stierheim
County Manager

SUBJECT: Metrorail/Metromover
Landscape Maintenance
Services Cost Comparison

The attached cost analysis by the Office of Performance Improvement was prepared in response to Commissioner Sorenson's June 8, 2000, request concerning the competitiveness of Miami-Dade County versus private providers for landscape maintenance along Metrorail and Metromover corridors.

As you may recall, on June 8, 2000, the Board awarded Public Works' Contract #1 to three private firms to perform landscape maintenance on Metrorail and Metromover stations and right-of-ways. The contract is estimated to cost \$800,000 per year. It includes \$583,830 in direct costs payable to the three firms and \$216,170 for contingencies such as replacing dead trees, fertilizing and laying new sod. Prior to the contract award, the Park and Recreation Department provided landscaping services for the Metrorail and Metromover corridors.

The analysis shows that the Park and Recreation Department would be not competitive if the project is staffed as stipulated in the contract documents. The cost to the County would be an estimated \$972,061 for the Park and Recreation Department to provide the service in comparison to the \$800,000 award to the private providers.

Attachment

cc: Honorable Alex Penelas, Mayor
Steve Spratt, Senior Assistant
Pete Hernandez, Senior Assistant
Ari Rivera, Acting Director, Public Works
Vivian Rodriquez, Interim Director, Park and Recreation



OFFICE OF THE COUNTY MANAGER

Correspondence/Document Delivery Verification Sheet

Memo dated August 1, 2000 from: M. R. Stierheim

CORRESPONDENCE SUBJECT MATTER:

Metrorail/Metromover Landscape Maintenance Services Cost Comparison

ADDRESSEE	RECEIVED BY	DATE/TIME	COMMENTS
Mayor Alexander Penelas	<i>Martha R. Rey</i>	8/1, 4:20 PM	
Commissioner Betty T. Ferguson ✓	<i>Phillip F. Williams</i>	8/1/00 4:22 PM	
Commissioner Dorrin D. Rolle ✓	<i>Getta Bapt C</i>	8/1/00 4:09 PM	
Dr. Barbara M. Carey-Shuler ✓	<i>[Signature]</i>	8/1 4:07	
Chairperson Gwen Margolis ✓	<i>[Signature]</i>	8/1 4 PM	
Commissioner Bruno Barreiro ✓	<i>[Signature]</i>	8/1 4:04	
Commissioner Pedro Reboredo ✓	<i>Man A. [Signature]</i>	8/1 4:04	
Commissioner Jimmy L. Morales ✓	<i>A. May</i>	8/1 4:07 PM	
Commissioner Katy Sorenson ✓	<i>[Signature]</i>	8/1 4:05 PM	
Commissioner Dennis C. Moss	<i>[Signature]</i>	8/1/00 4:09 PM	
Commissioner Javier D. Souto	<i>Dr. Gonzalez</i>	8/1 4:10	
Commissioner Miguel Diaz de la Portilla	<i>[Signature]</i>	8/1/00 4:17 PM	
Dr. Miriam Alonso	<i>[Signature]</i>	8/1/00 4:17	
Commissioner Natacha Seijas Millan	<i>[Signature]</i>	8/1 4:17	



MEMORANDUM

TO: M. R. Stierheim
County Manager

DATE: July 21, 2000

FROM: *Corinne Brody*
Corinne Brody, Director
Office of Performance Improvement

SUBJECT: Metrorail/Metromover
Landscape Maintenance
Services Cost Comparison

Summary

On June 8, 2000, the Board of County Commissioners awarded Public Works' Contract #1, Project #621464, to three private firms to perform landscape maintenance on Metrorail and Metromover stations and right-of-ways. The contract is estimated to cost \$800,000 per year and includes \$583,830 in direct costs to be paid to the three winning bidders. The remaining \$216,170 was added for landscaping contingencies such as replacing dead trees, fertilization, and laying new sod.

With regard to Commissioner Sorenson's questions concerning the competitiveness of County versus private landscape maintenance costs, OPI completed two cost analyses:

1. Comparison of the labor costs for the Park and Recreation Department (Parks) versus private providers to provide landscaping services using the staffing stipulated in Project # 621464
2. An alternate staffing plan suggested by Parks

Our analyses show that Parks is not competitive if the Department staffs the project as stipulated in the contract documents. As shown in Table 1 below, excluding project management costs, it would cost the County an estimated \$972,061 for Parks to execute the contract compared to \$800,000 awarded to private providers to maintain the Metrorail/Metromover corridors. However, the Department's suggested alternate staffing plan may be competitive. Under the alternate plan, Park's operating costs for 12 cycles would be \$484,853 compared to \$583,830 awarded to the three private firms. It should be noted however, that while Project # 621464 provides for adjustments in staff and equipment after the start of the contract, private bidders were not requested to propose alternate staffing plans. Therefore no cost comparison of the alternate plan with the private providers was possible.

Background

On June 8, 2000, the Board of County Commissioners awarded Public Works' Contract #1, Project #621464, to three private firms to perform landscape maintenance on Metrorail and Metromover stations and right-of-ways. As defined in Project #621464, normal landscape maintenance included mowing and removing grass, picking up trash, and trimming trees. These activities are to be completed on a monthly cycle on pre-scheduled dates for a total of 12 cycles per year. Other activities such as unplanned cleanup, replanting trees, fertilizing, and laying sod are to be paid from the contingency fund.

The contract divided the stations and right-of-ways into four sections, which were awarded as follows. Metrorail North was awarded to J.R. Alvarez Land Clearing, Metrorail Central to Proscap Southeast, and Recio and Associates was awarded both Metrorail South and the entire Metromover network. The contract is initially for one year beginning June 29, 2000, and provides for a second and third year continuance. Total contract cost is estimated at \$800,000 per year and \$2.4 million over three years. Of the \$800,000 budgeted in the first year,

\$583,830 was divided among the three winning bidders to cover normal operating expenses. The remaining \$216,170 will be used for landscaping contingencies such as replacing dead trees, fertilization, and laying new sod. Miami-Dade Transit (Transit) will reimburse the Public Works Department for contract administration.

Table 1
Comparative Cost Estimate for Metrorail/Metromover Landscape Maintenance

Metrorail/ Metromover Section	Winning Bidder	Amount Awarded to Winning Bid¹	Estimated Park and Recreation Costs²
North	J.R. Alvarez Land Clearing	\$149,172	\$191,014
Central	Proscape Southeast	201,997	191,014
South and Metromover	Recio and Associates	<u>232,660</u>	<u>240,962</u>
	Total	\$583,830	\$622,990
	Operating Cost	(included above)	83,450
	Overhead Allocation	(included above)	<u>49,451</u>
	Total with Overhead and Operating Costs	\$583,830	\$755,891
	Contingency	<u>216,170</u>	<u>216,170</u>
	Total Project Cost	<u>\$800,000</u>	<u>\$972,061</u>
	Project Administration ³	86,538	26,789
	Total Annual Project Cost	<u>\$886,538</u>	<u>\$998,850</u>

1. Costs includes labor, materials, operating costs and profits.
2. Labor costs (using entry level salaries) prorated for the cutting days only for the 12 cycles per year stipulated in the contract. Salaries are for the cutting days only. Refer to Schedule 1 attached for details of labor and operating expenses.
3. Miami-Dade Transit will reimburse the Public Works Department an estimated \$86,538 for administering the private contract. Parks estimates an additional \$26,789 for internal project management and administration.

Since 1984, Parks provided landscaping services for the entire Metrorail/Metromover stations and rights-of-way. Transit's landscape maintenance budget fell from a high of \$1.5 million in FY 84-85 to \$277,600 in FY99-00. Parks reported that the current operating budget for these services is inadequate. Table 2 shows the landscaping budgets for the past eight years.

Table 2
Metrorail and Metromover Landscaping Budgets

Fiscal Year	Budgeted Amount (\$)
1992-1993	467,000
1993-1994	412,000
1994-1995	372,200
1995-1996	238,100
1996-1997	233,300
1997-1998	230,000
1998-1999	279,200
1999-2000	277,600

Parks typically employed a staff of ten individuals comprising one full-time Landscaping Supervisor, six part-time Park Service Aides, and three part-time Park Service Aides restricted to work 29 hours per week. Inmate labor was also used for trash pickup. Prior to June 1999, weekly work was not scheduled, and landscaping was done unsystematically and in response to complaints from various municipalities.

In an effort to improve service, Parks implemented in June 1999 an eight-cycle program to ensure that maintenance was done at least every six weeks at each section of the 21-mile long Metrorail system. Crews also removed trash and debris from station grounds and rights-of-ways and maintained trees along the rail system. Parks reports the Department was never reimbursed for tree maintenance (not part of the original scope of work) carried out by its tree trimming crew.

Cost Analyses

OPI completed two cost analyses. Using the staffing stipulated in Project # 621464, the first analysis compared Parks' labor and operating costs to the private providers' costs to perform landscape maintenance. The second evaluates the cost of an alternate staffing plan suggested by Parks.

1. Comparison of Costs for Services Using Crew Sizes Stipulated in Project # 621464

Costs were calculated using crew sizes and cutting cycles specified in the contract. Salaries were adjusted for the actual cutting days (156 cutting days per year) and do not include contingency costs for unplanned work. Schedule 1 details labor costs for Parks' staff for both the low and mid point salary ranges. Each crew consists of a Landscape Supervisor and five Park Attendants for Metrorail maintenance and one Landscape Supervisor and two Park Attendants for the Metromover system.

Table 1 compares the costs of the contract awarded to the three private firms to the labor costs for Parks to provide the same services stipulated in Project # 621464. Using the standard crew size (one supervisor and five employees) and assuming all employees were paid entry level salaries, Parks' labor alone is estimated to cost \$622,990 for the first year, which exceeds the private contract cost (including other operating expenses) of \$583,830. For each segment of the Metrorail/Metromover corridor (except Metrorail Central), Parks' labor costs alone exceed the combined costs (including operating expenses) for private firms to provide the same landscape maintenance services. In addition to the labor expenses, the Department will require an estimated \$140,145 for operating and overhead expenses increasing the direct costs to \$755,891 excluding contingency costs. Assuming Parks manages the contract in-house, the Department estimates project management costs to be \$26,789 per year, which brings the total contract costs (direct labor, operating, overhead and contingency charges) to \$998,850.

In addition to the private contract amount (\$800,000), Transit will reimburse Public Works an estimated \$86,538 per year for contract administration, which brings the total private costs of right-of-way maintenance to \$886,538. Under this scenario, Parks cannot compete with the private providers' prices.

2. Alternate Staffing and Maintenance Plan Suggested by Parks

This analysis compares landscape maintenance costs for an alternate staffing plan suggested by Parks. Project #621464 allows for adjustments in crew size and equipment requirements after the start of the contract if the contractor maintains timely and satisfactory completion of the work. Based on past experiences, Parks suggested an alternate plan using 30 employees instead of 39 to provide the same level of service as required by the contract. Additionally, Parks would provide a fertilization program, sand/soil amendments, and chemical application and irrigation repairs but would not provide tree, shrub or major turf replacement. These extra services proposed by Parks are included as forced work (contingency) in the Public Works Contract.

Parks' proposed costs for a 26-cycle maintenance schedule was prorated to 12 cycles as required under the existing contract. Using this approach, operating costs to maintain Metrorail/Metromover corridors would be \$484,853 per year for 12 maintenance cycles (excluding contingencies and project management services) as shown in Table 3 below. Total project costs including contingencies and project administration services would be \$727,812, compared to \$886,538 shown in Table 1 for the private firms to provide maintenance services.

Additionally, the Department estimates that the project may require a \$517,500 investment in capital equipment, increasing total project costs to \$1,245,312. If the Department capitalized equipment costs over the life of the contract, or is able to redirect existing Parks equipment to maintaining the Metrorail/Metromover corridors, annual project costs will be significantly lower. Assuming Parks can provide the specified level and quality of services using reduced staff, the Department's prices could be competitive. However, private bidders were not requested to propose alternate staffing plans although Project # 621464 provides for adjustments in staff and equipment after the start of the contract. Therefore, a comparison of Parks' and private providers' costs under alternate staffing plans could not be performed.

Table 3
Park and Recreation Department
Alternative Maintenance Cost Proposal

Expenses	Cost (\$)
Staffing (For 26 cycles Proposed by Parks)	
1 Landscape Supervisor II	\$24,373
21 Park Attendants (Including 3 Lead Workers)	380,107
3 Automobile Equipment Operator	60,750
3 Laborers	50,100
2 Tree Trimmers (certified)	<u>37,200</u>
Sub-total	<u>\$552,530</u>
Fringe Benefits (@30%)	<u>165,759</u>
Total Labor Costs (26 cycles)	<u>\$718,289</u>
Operating Expenses	
Commodities (for 26 Cycles)	\$263,500
Overhead Expenses (7% of labor and operating exp.)	<u>68,725</u>
Total Operating Costs (26 cycles)	<u>\$1,050,514</u>
Assuming a 12 cycle maintenance schedule as stipulated in Public Works Project # 621464	
Total Operating Costs (12 cycles)	\$484,853
Contingency Costs	216,170
Project Administration	<u>26,789</u>
Total Cost (12 cycles)	<u>\$727,812</u>
Proposed Capital Equipment	<u>517,500</u>
Total Cost with Capital	<u>\$1,245,312</u>

Schedule 1

**Parks and Recreation Department
 Metrorail/Metromover Stations and Right-of-Way Maintenance
 Cost Analysis**

Labor Charges			
<u>Position</u>	<u>Staffing</u>		<u>Labor Costs* (\$)</u>
	<u>Staff Required</u>	<u>(Low Range)</u>	<u>(Mid-Point Salaries)</u>
<u>Metrorail North</u>			
Landscape Supervisor 1	2	\$39,151	\$45,850
Park Attendant	10	151,863	176,875
Total	12	191,014	222,725
<u>Metrorail Central</u>			
Landscape Supervisor 1	2	39,151	45,850
Park Attendant	10	151,863	176,875
Total	12	191,014	222,725
<u>Metrorail South</u>			
Landscape Supervisor 1	2	39,151	45,850
Park Attendant	10	151,863	176,875
Total	12	191,014	222,725
<u>Metromover</u>			
Landscape Supervisor 1	1	19,575	22,925
Park Attendant	2	30,373	35,375
Total	3	49,948	58,300
Total Labor	39	\$622,990	\$726,475
Operating Expenses			
Radio Mtc.		\$552	\$552
Beeper Rental		138	138
GSA Fleet Charges		29,900	29,900
P&R Equipment Repair		27,600	27,600
Tire/Tubes		2,300	2,300
Repair Parts-Auto		2,300	2,300
Repair Parts		2,300	2,300
Expendable Tools		2,300	2,300
Ice		460	460
Clothing/Uniforms		5,000	5,000
Safety Shoes		3,000	3,000
Safety Equipment		3,000	3,000
Misc. Operating Supplies		4,600	4,600
Total Operating Expenses		\$83,450	\$83,450
Overhead Allocation (7% of direct costs)		49,451	56,695
Total Landscape Maintenance Costs		\$755,891	\$866,620

Assumptions:

Labor Rate (excluding fringe)	Low Range	Mid Point Salary
Landscape Supervisor 3	\$26,789	\$32,330
Landscape Supervisor 1	23,166	27,130
Park Attendant	17,972	20,932
Fringe Benefits: 30% of direct labor costs		
Number of Cutting Days: 156		
Number of annual working days: 240		
Ratio of Cutting Days to Working Days: 0.65		
Overhead Allocation (% of direct costs): 7.0%		

* Labor costs include fringe benefits and are prorated for the stipulated cutting days only.